Columbus Democrat.

VOL. 1.

COLUMBUS, MISSISSIPPI, SATURDAY, OCTOBER 21, 1837.

NO. 15.

THE DEMOCRAT S LOITED AND PUBLISHED EVERY SATURDAY BY

ORTHINGTON & LESTER, Publishers of the United States Lanes. was or the Peren-35 per annum in advance,

No subscription will be received for a less term than six months, and no paper will be discontinued, (except at the discretion of the Editors) until all arrearages have been paid.

DVERTISEMENTS will be inserted at \$1 per square (8 lines or less) for the first insertion, and 50 cents for each subsequent insertion. divertisements not marked with the number of insections, will be published until forbid and charg-

Publications of a personal nature will be charged

subte price.

Letters to the Editors on business connected with the office, must be post paid, or they will not

REMARKS OF MR. CALHOUN,

On the bill authorizing the issue of Treasury Notes. In Senate of the United States, Sept. 19, 1837. Mr PRESIDENT :- An extraordinary course of events with which all are too familiar to need reciat, has apparated in fact the Government and the What relation shall they bear hereafter? of the Government?-and, alove all, shall their notes be considered as money, in the receipts and penditures of the Government? This is the great cadiu, question; one of the first mognitude and quences. I have given it my most anxs and deliberate attention; and have come to the interest both of the Government and the Banks hids a reumion. I now propose to offer my reaas for the conclusion. I shall do it with that per-

be heard with a candor and farmess corresponding to the smeerity with which I shall deliver my sen-Those who support a reunion of the Banks and Government have to overcome a preliminary difficulty. They are now separated, by operation of law, and cannot be reunited while the present to of things continues, without repealing the lawwhich has a pined them. I ask, who is willing to portance, as far as the present question is concernpropose this repeal? Is there any one, who, during repension of specie payments, would advocate their employment as the fiscal agents of the Govern-

ment, who would make them the depositories of the the revenue, or who would receive and pay away ir notes in the public does? If there be none, ion it results that the separation must continue for present, and the rounion must be the work of e, depending on the contingency of the resumpon of specie payments.

at the Banks were regularly redeeming their notes, m what party in this body can the proposition is or by which can it be supported, for a reu-Government with the league of State Banks iin the Opposition, who for years have been deuneing it as the most dangerous instrument of awar and efficient means of corrupting and controlling the Government and country? Can they, after the exact fulfilment of all their predictions of districtions consequences from the connections, now turn round and support that which they have so long and so fon ly condemne!? We have heard a the currency. Nothing can be more delicate and the currency. Nothing can require to be more eately handled. It ought never to be tampered ith nor touched, until it becomes absolutely neseary. But If untried experiments justly deserve

mure, what condemnation would a repetition of n experiment that has failed deserve? An experient that has so signally failed, both in the opinion supporters and opponents, as to call down the tter deminerations of those who tried it. If to sake the experiment was folly, the repetition would

But if the Opposition cannot support the meas-

re, how can it be expected to receive support on the friends of the Administration, in whose ands the experiment has so signally failed, as to down from them execuations deep and loud? If Mr. President, there be any one point fully es-obished by experience and reason, I hold it to be utter incompetency of the State Banks to furii, of themseives, a sound and stable currency.bey may succeed in prosperous times, but the est adverse current necessarily throws them into atter confusion. Nor has any device yet been found to give them the requisite strength and stabilty, but a great central and controlling Bank, instituted under the control of the Government. I go farther. If we must continue our connection with the Banks, if we must receive and pay away their notes as money, we not only have the right to regulate and give uniformity and stability to their value, but re are bound to do so, and to use the most effective cans for that purpose. The Constitution makes it ir duty to lay and collect the taxes and duties uniormly throughout the Union, to fulfil which we are ound to give the highest possible equality of value throughout the whole country, to whatever modium it may be collected in, and if that be bank notes, to adopt the most effective means of accomplishing it, which experience has shown to be a Bank of the United States. This has long been my opinion. I entertained it in eighteen hundred and sixteen, and repeated it in my place here on the deposite question in eighteen hundred and thirtyour. The only alternative then is, disguise it as ou may, between a disconnection and a Bank of he United States. This is certainly the real issue to

hich all must come, and ought now to be openly

But there are difficulties, in the way of a National rak, no less formidable than a reconnection with he State Banks. It is utterly impracticable, at resent, to establish one. There is reason to believe, but a majority of the people of the United States e deliberately and unalterably opposed to it. At llevents, there is a numerous, powerful and re-pectable party-I refer to the old States Rights varty-who are, and ever have been, from the begining of the Government opposed to the Bank; and those opinions, thus long and firmly entertained, ugit at least to be so much respected as to forbid e creation of one, without an amendment of the onstitution. To this must be added the insupere difficulty, that the Executive branch of the Government is openly opposed to it, and pledged interpose his veto, on constitutional grounds, hould a bill pass to incorporate one. For four ars, at least then, it would be impracticable to parter a Bank. What must be done in the mean Shall the Treasury be reorganized to perorm the functions which have been recently dis- and go far to make that bank the Government reself harged by the Banks, or shall the State institutions again employed until a Bank can be created?the one case we shall have the so much vilified and denounced Sub-Treasury, as it is called; and in the other difficulties insurmountable would grow up against the establishment of a Bank. Let the state institutions be once reinstated, and reunited to the Government as their fiscal agents, and they all be found the first and most strenuous opponents of a National Bank, by which they would be overhadowed and curtailed in their profits. I hold it ertain that in prosperous times, when the State tablish a National Bank. Its creation then, should a founion with the State Banks take place, will be ostponed until some disaster similar to the present

Already it has had two paralytic strokes—the third that, as a suestion de novo, I would be decidedly a-would prove faul. But suppose these difficulties were overcome. I

pate, it would be the most disastrous measure that der which the country is suffering, it is nothing to od, that to long as the connexion existed -so long what would follow the creation of such an institu- as the Government received and paid away bank tion under existing circumstances. In order to notes as money, they were bound to regulate their compel the State institutions to pay specie, the Bank must have a capital as great, or hearly as great, in proportion to the existing institutions, as be late Bank had, when established, to those of that day. This would give it an immense capital, not much less than one hundred million of dollars, of which a large proportion, say twenty millions, must be specie. From what source is it to be derived? From the State Banks? It would empty their vaults, and leave them in the most hopies. condition. From abroad, and England in partieu ar? It would reposince that revulsive current, which has lately covered the country with desolaion. The tide is still running to Europe, and if forced back by an artificial cause, before the foreign | tutional, which he could not reverse, debt is paid, cannot but be followed by the most

disastrous consequences,

But suppose this difficulty overcome, and the Bank re-established. I ask what would be the effects under such threumstances? Where would it find room for business commensurate with its extended capital, without crushing the State Institutions, cofeebled by the withdrawal of their means in order few of the more vigorous might survive, but the far greater portion, with their debtors, creditors and stockholders would be involved in common ruin,classion that we have reached the period when The Bank would, indeed, give a specie currency, not by enabling the existing institution to resume, but by destroying them and taking their place.

Those who take a different view, and so fondly frankness due to the subject, to the country, anticipate relief from a National Bank, are deceivand the position I occupy. All I ask is, that I may ed by a supposed analogy between the present situation of the country and that of 1816, when the ate bank was chartered, after the war with Great Britain. I was an actor in that scene, and may be permitted to speak in relation to it with some little authority. Between the two periods there is little or no analogy. They stand almost in contrast. In 1816, the Government was a debtor to the banksnow it is a creditor; a difference of the greatest im-

ed. The banks had over-issued, it is true, but their over-issues were to the Government-a solvent and the Government; and are doubly disqualified by able debtor, whose credit, held by the banks in the shape of stock, was at par. It was their excessive ssues to the Government on its stock, which mainy caused the sus; ension . in proof of which, it is a remarkable fact, that the depreciation of bank paper under gold and silver was about equal to the proportion which the Government stock held by the banks bore to their issues. It was this excess But suppose this difficulty to be removed, and that hung on the market and depressed the value of heir notes. The solution is easy.

The Bank took the Government stock payable in twelve years, and issued their notes for the same, between them and the Government? Who, payable on demand, in violation of the plainest what has happened can advocate a reunion of principles of banking. It followed of course, that try, and the holder of immense public domains, and when their notes were presented for payment, they had nothing but Government stock to meet them .-But its stock was at par, and all the Banks had to a tax, or duty, which can be discharged, as the law do was to go into market with the stock they held now is only by bank notes or gold and silver. This, and take up their notes, and thus the excess which hung upon the market and depressed their value, bank notes and contribute much to their circulation. would have been withdrawn from circulation, and though it may be difficult to determine with any the residue would have risen to par, or nearly par precision to what extent. It certainly is very great. with gold and silver, when specie payments might | For why as it that an individual of the first credit, This they were unwilling to do. They were profit-

ng every way-by drawing interest on the stock, by discounting an it as capital, and by its continued rise in the market. It became necessary to compe them to surrender roose advantages. Two methods presented themselves—one a bankrupt law, and the other a National Bank. I was opposed to the former then, as I am now. I regarded it as a hars and unconstitutional measure, opposed to the rights of the States. If they have not surrendered the right to incorporate Banks, as is conceded, its exercise cannot be controlled by the action of this Government, which has no power but what is expressly granted, and no authority to control the States in the exercise of their served powers. It remained to resort to a National Bank, as the means of compulsion. It proved effectual. Specie payments were restored; but even with these striking t was followed by great pressure in 1818, '19 and 20, as all who are old enough to remember that period prust recollect. Such, in fact, must ever be the consequence of resumption when forced under the most favorable circumstances; and such accordingly, it proved even in England, with all her resources, and with all the caution she used in restoring a specie circulation, after this long suspension of 1779. What, then, would be its effects in the present condition of the country, when the Goverument is a creditor, instead of a debtor; when there are so manly newly created Banks without established credit, when the over issues are so great; and when so large a portion of the debtors are not in a condition to be coerced? As great as is the tide of disaster which is passing over the land, it would be as nothing to what would follow were a National Bank to be established as the means of cocreing specie payments.

I am bound to speak without reserve on this in portant point. My opinion then is, that if it should be determined to compel the restoration of specie payments by the agency of Banks, there is but one way-but to that I have insuperable objections. I mean the adoption of the Pennsylvania Bank of the United States, as the fiscal agent of the Covernment. It is already in operation, and sustained by great resources and powerful connections, both at home and abroad. Through its agency specie payments might undoubtedly be restored, and that will ar less disaster than through a newly created Bank, but not without severe pressure. I cannot, however, vote for such a measure. I cannot agree to give a preference and such advantages to a Bank, of one of the members of this confederaty over those of others-a Bank dependant upon the will of a State and subject to its influence and control. cannot consent to confer such favors on the stockholders, many of whom, if rumor is to be trusted are foreign capitalists, and without claim on the bounty of the Government. But, if all these and many other objections were overcome, there is still one which I cannot surmount.

There has been, as we all know, a conflict between one of the departments of the Government and that institution, in which, in my opinion, the department was the assailant, but I cannot consent, after what has occurred, to give to the bank a triumph over the Government, for such its adoption as the fiscal agent of the Government would necessarily be considered. It would degrade the Gov ernment in the eyes of our citizens and of the world

But if all these difficulties were overcome, are others, to me, wholly insurmountable. I belong to the State Rights party, which, at all times, from the beginning of the Government to this day, has been oppused to such an institution, as unconstitutional, inexpedient, and dangerous. They have ever dreaded the union of the political and national power, and the central action of the Government to which it so strongly tends; and, at all times, have strenuously resisted their junction. Time and experience have confirmed the truth of their principles; and this, above all other periods, is the one at which it would be most dangerous to depart from them .- pecially in the northern section of the Union, where Acting on them, I have never given my counte-nance or support to a National Bank, but under a compulsion which I felt to be imperious, and never without an open declaration of my opinion as unfahall again befall the country. But it requires little the spirit of prophecy to see that such another vorable to a Bank.

support. I also stated that, in supporting the Bank would still be opposed to the incorporation of a Bank. then, I yielded to the necessity of the case, growing So far from affording the relief which many antici- out of the then existing and long established connection between the Government and the banking could be adopted. As great as is the calamity uns system. I took the ground, even at that early per-

value, ank had no afternative but the establishmento a National Bank.

I found the connection in existence and established before my time and over which I could have no control. I yielded to the necessity in order to correct the disordered state of the currency, which had fallen exclusively under the control of the State. I yielded to what I could not reverse, just as any member of the Senate now would, who might beheve that Louisiana was unconstitutionally admitted into the Union, but who would nevertheless, fiel compelled to vote to extend the laws to that State as one of its members, on the ground that its admission was an act, whether constitutional or unconsti-

In 1834, I acted in conformity to the same princi ple, in proposing the renewal of the Bank charter for a short period. My object, as expressly avowed was to use the Bank to break the connexion between the Government and the backing system gradually, in order to a vert the catastrophe which has now betallen us, and which I then clearly perceived. But the connection which I believe to be irreversible in to create the instrument of their oppression? A 1816, has now been broken by operation of law. It is now an open question. I feel myself free, for the first time, to choose my course on this importan subject, and, in opposing a Bank, I act in conformi-

I have folly investigated the subject. But my opposition to a re-union with the Bank is not confined to objections limited to a National or State Banks. It goes beyond, and comprehends others of a more general nature, relating to the currency, which to me are decisive. I am of the impression that the connection has a most pernicious influence over bank currency; that it tends to disturb that stability and uniformity of value, which is essential to a sound currency, and is among the leading causes of that tendency to expansion and contraction, which experience has shown is incident to bank notes as a currency. They are, in my opinion, at best, without the requisite qualities to constute a currency, even when connected with reason of that connection, which subjects them to sudden expansions and contractions, and expose them to fatal catastrophes, such as the present.

I will explain my views. A bank note circulates not merely on account of the credit of the institution by which it is issued, but because Government receives it like gold and silver in all its dues, and thus adds its own credit to that of the bank. It, in fact, virtually endorses on the note of every specie paying Bank, "receivable by the Government in its dues." To understand how greatly this adds to the circulation of bank notes, we must remember that Government is the great money dealer of the counthat it has the power of creating a demand against every estizen as high as it phases, in the shape of of course, cannot but add greatly to the credit of utable that his friend of equal credit endorses his note for nothing, should put his name with his friend's being their joint credit, into a bank, and take out the notes of the bank, which is, in fact, but the credit of the bank itses known and established credit of the bank may be one reason, but there is another and powerful one: the Government treats the credit of the bank as gold and silver in all its transactions, and does not treat the credit of the individuals in the same manner. To test the truth, let us reverse the case, and suppose the Government to treat the joint credit of individuals, as money, and not the credit of the bank; and is it not obvious that, instead of borrowing from the bank, and paying six per cent discount, same terms. From this we may perceive the powerful influence, which bank circulation derives from the connection with the credit of the Government.

It follows, as a necessary consequence, that to the extent of this influence, the Banks expand and contract with the expansion and contraction of the fiscal action of the Government; with the increase of its duties, taxes and expenditure, with the deposites in its vaults, acting as additional capital, and the amount of bank notes withdrawn, in consequence, from circulation; all of which must directly affect the amount of their business and issues, and bank currency, and must, of course partake of all those vibrations to which the fiscal action of the Government is necessarily exposed, and when great and sodden must expose the system to catastrophes such as we now witness. In fact a more suitable instance cannot be selected to illustrate the troth of what I as-

sert than the present, as I shall proceed to show. To understand the causes which have led to the present state of things, we must go back to the year 1824, when the tariff system triumphed in Congress-a system which imposed duties not for the purpose of revenue, but to encourage the industry of one portion of the Union at the expense of the other. This was followed up by the act of 1828, which consummated the system. It raised the duties so extravagantly, that out of an annual importation of sixty-four millions, thirty-two passed into the Treasury, that is, Government took one half for the liberty of introducing the other. Countless millions were thus poured into the Treasury beyond the wants of the Government, which became in time the source of the most extravagant expenditures. This vast increase of receipts and expenditures was followed by a corresponding expansion of the business of the Banks. They had to discount and issue freely to enable the merchants to pay their duty bonds, as well as to meet the vastly increased expenditures of the Government. Another effect followed the act of 1828, which gave a still farther expansion to the action of the Banks, and which is worthy of notice. It turned the ex-

change with England in favor of this country. That portion of the proceeds of our exports, which in consequence of the high duties, could no longer return with profit, in the usual articles which we had been in the habit of receiving principally from that country in exchange for our exports, returning in gold and silver, in order to purchase similar articles at the North. This was the first cause which gave that western direction to the precious rectais, the revulsive return of which has been followed by so many disasters. With the exchange in favour, and consequently no demand for gold and silver abroad, and the vast demand for money attendant on an increase of the revenue, almost every restraint was removed on the discount and issues of the Banks, esese causes principally operated. With their inerease, wages and prices of every description rose in proportion, followed of course by an increasing demand on the Banks for further issues. This is the it be conferred on any corporate body of individuals true cause of that expansion of the currency, which How can they possibly be entitled to benefit a so

disaster would be the death of the whole system .- | In supporting the Bank of 1816, I openly declared | began about the commencement of the late Administration; but which was erroncously charged by it to the Bank of the United States. It rose out of the ction of the Government.

The Bank, in increasing its business, acted in obedience to the condition of things at the time, and in conformity with the Banks generally in the same section. It was at this juncture that the late Administration came into power-a juncture remarkable in many respects, but more especially in relation to the question of the currency. Most of the causes which have since terminated in the complete prostration of the Banks and the commercial prosperity of the country were in full activity.

Another cause, about that time, (I do not remember the preese date,) began to produce powerful eifeets. I refer to the last renewal of the charter of the Bank of England. It was renewed for ten years and, among other provisions, contained one making the notes of that bank a legal tender in all cases except between the bank and its creditors. The effect was to dispense still firsther with the precious metals in that great commercial country, which of course caused them to flow out in every direction through the various channels of its commerce. A large por tion took their direction hitherward, and served still further to increase the current, which, from causes already enumerated, was flowing in this direction; and which still further increased the force of the reruing current, on the turn of the tide.

The administration did not comprehend the difficulties and dangers which surrounded it. Instead of perceiving the true reason of the expansion of the currency, and adopting the measures necessary to resist it, they attributed it to the Bank of the United States, and made it the cause or pretext of waging war on that institution. Among the first acts of postility, the denosites were removed, and transferred to selected State Banks; the effect of which, instead of resisting the tendency to expansion, was to throw off the only restraint that held the banking institutions of the country in check; and of course gave to the swelling tide, which was destined to desolate the country, a powerful impulse. Banks sprung up n every direction; discounts and issues increased drost without limitation, and an immense surplus revenue accumulated in the Deposite Banks, which, after the payment of the public debt, the most extravagant appropriations could not exhaust, and which acted as additional banking capital. The value of money daily depreciated - prices rose - and then commenced those unbounded speculations, particularly in public lands, which was transferred, milions of acres, from the public to the speculators for worthless bank notes, till at length the swelling flood was checked, and the revulove current burst its barriers, and overspread and devolated the land.

The first check came from the Bank of England, which alarmed at the loss of its precious metals, refused to discount American bills. In order to prevent a further decrease of its each means, and cause return of those which it had lost. Then followed the execution of the deposite act, which, instead of a remedial measure, as it might have been made, if properly executed, was made the instrument of weakening the Banks at the point of pressure, especally in the great Metropolis of the Union, where so large a portion of the surplus revenue was accumulated. And, finanty, the Treasury order, which still further weakened those Banks, by withdrawing their east means to be invested in public lands in the

It is often easy to prevent what cannot be remedied, which the present instance strongly illustrates. If the Administration had formed a true conception of the danger in time, what has since happened might have been easily averted. The near approach of the expiration of the charter of the United States the desolation, if it had been timely and properly used. I saw it then, and purposed to renew the charter, for a limited period, with such modification-Expansion of the currency againsted the increasing gradually and finally, wear out the connection be ween the Bank and the Government,- To use the expression I then used, "to unbank the Banks;" to let down the system easily, and so to effect the separation between the Bank and the Government to avoid the possibility of that shock which I then saw was inevitable without some such remedy. The moment was emmently propitious.

The precious metals were flowing in upon from every quarter, and the vigorous measures I purposed to adopt in the renewal of the charter, would have effectually arrested the increase of Banks and checked the excess of their discounts and issues, so that the accumulating mass of gold and silver instead of being converted into Bank capital and swelling the tide of paper circulation, would have been substituted in the place of bank notes, as a permanent and wholesome edition to the currency

sustained me, and the precions opportunity passed unseized. I then clearly saw the coming calamity was inevitable, and it has neither arrived sooner, nor

is it greater than what I anticipated.

Such are the leading causes which have produced the present disordered state of the currency.—There are others of a minor character, connected with the general condition of the commercial world and the perations of the Executive branch of the Governnent, but which, of themselves, would have produced but little effect. To repeat the causes in a few words, the vast increase which the tarilla of 1824 and '28 gave to the fiscal action of the Covernment combined with the causes I have enumerated, gave the first impulse to the expansion of the currency, These, in turn, gave the extraordinary impoise to overtrading and speculation (they are effects and not causes) which has finally terminated in the present calamity. It may thus be ultimately traced to the connection between the Banks and the Government; and it is not a little remarkable that the suspension of specie payments in 1816, in this country, and that of 1797, in Great Britain were produced by

There is another reason against the union of the Government and the Banks, intimately connected with that under consideration, which I shall next proceed to state. It gives a preference to one portien of the citizens over another; that it is neither fair, equal, nor consistent with the spirit of our in-

That the connection between the Banks and the Government, the receiving and paying away their notes as cash, and the use of the public money from the time of the collection to the disbursement, is the source of immense profits to the banks cannot be questioned. It is impossible, as I have said to ascertain with any precision to what extent their is sues and circulation depend upon it, but it certainly constitutes a large proportion. A single illustration may throw light on this point. Suppose the Government were to take up the veriest begrear in the street, and enter into a contract with him that nothing should be received in payment of his dues or for the sales of its public lands in future, except gold and silver and his promissory notes, and that he should have the use of the public funds from the time of their collection until their disbursement.-Can any one estimate the wealth which such a contract would confer? His notes would circulate for and wide over the whole extent of the Union; would be the medium, through which the exchanges of the country would be performed; and his ample extended credit would give him a control over all the banking institutions and monied transactions of the com-

The possession of a hundred millions would not give control more effectual. I ask, would it be fair, would it be equal, would it be consistent with the spirit of our institutions, to confer such advantages on an individual. And if not on one, would it be it conferred on any number? And if not, why should

vast, which all must acknowledge could not be just. In resisting their union I act the friend of both. conferred on any mamber of uninnerporated indi-

I state not these views with any intention of bring

ng down odom on banking institutions. I have no slid theess con ansable for the present state of things. It has grown up gradually, without either the banks or the community perceiving the consequences chick have followed the connection between them My object is to state facts as they exist, that the truth may be seen in time by all. Time of an age of of no particular interest, I dock to the whole, and upon this all important subject. It affects the inte est and condition of the whole expressing, and to be investigated to the bottom. - Nothing will be le unexplored, and it is for the interest of both th banks and the community, that the evils incident to the connection should be fully understood in time, and the connection gradually terminated, before such convulsions shall follow as to sweep away the whole system, with its advantages as well as disad-

But it is not only between citizen and citizen that be connection is unfair and enequal. It is as much so between one portion of the country and anothre The connection of the Government with the banks, whether it be with a combination of Se to Banks or with a National meditation, will more villy central ize the action of the system at the protops, point of collection and disbursement, and at which the moth or bank, or the head of the league of State banks must be located. From that point the whole system. brough the connection with the Government, wil be enabled to control the exchanges both at home and abroad; and also with it, the commerce foreign and domestic, including all our exports and imports

After what has been said, these points will require out little illustration. A single one will be sufficient, and I will take it, we in the former instance, that of an individual

Suppose, then, the Government, at the commences ment of its operation, had selected an individual merchant, at any one point of the Union, say at of commerce and business, within which the New York, and had connected itself with bim as it banks may be respectively situated, exempt afas with the banks, by giving him the use of the public limis from the time of their collection until their disbursement, and of receiving and paying a way, mail its transactions, nothing but his promiso ry notes, except gold and silver. Is it not inamifest that a decisive control would be given to the port where he readed, over all the others; that his promisory notes would excedute capadly through all the ramifications of commerce; that they would regulate exchanges; that they would be the medium of pay-ing duty bonds, and that they would attract the imports and exports of the country to the port when such extraordinary facilities were afforded: If and would clearly be the effects in the case supposed, is equally clear that the concentration of the curreney at the same point, through the connection of th Government with the banks, would have equal if no greater effects; and that, whether one general band should be used as an agent, or a league of banks, which should have their centre there.

To the other ports of the country, the trifling advantages which a branch or deposite bank would give, in the safe keeping of the public revenue, would be as nothing compared with the loses catased to their commerce by centralizing the monted ac tion of the country at a remote point. Other gentle men can speak for their own section, I can speak with confidence, of that which I have the honor i part to represent. The entire staple States, I feet a deep conviction, banks and all, would, or the end he great gamers by the disseverance, whatever might be the temporary inconvenience. If there be

As connected with this, there is a point well deserving consideration. The union between Benkend Government is not only a main source the banking system which I have already illustrated, but is also one of the principal causes of that powerful and almost irresistable tendency to the ncrease of banks, which even its friends see and deplore. I dwelt on this point on a former occasion, (on Mr. Webster's motion to renew the Bank charter in 1833) and will not repeat what ! then said. But in addition to the causes then enumerated, there are many others very powerful, and among others the one under consideration. They may be summed up in one general cause. (We have made banking too profitable, far, very ur too profitable; and I may add influential.

One of the most simple sources of this profit and offuence may be traced, as I have shown, to the connection with the Government, and is of course, among the prominent causes of the strong and incessant tendency of the system to increase which even its friends see must finally overwhelf either the banks or the institutions of the country. With a view to check its growth they have pro posed to limit the number of banks and the amount of banking capital by an amendment of the Constitution; but it is obvious that the effect of such an amendment, if it were practicable, would but increase the profits and influence of bank capital; and that finally, it would justly produce such indignation on the part of the rest of the community against such unequal advantages, that in the end after a long and violent struggle, rise overbrow of the entire system would tollow.

To obvinte this difficulty, it has been propose to add a limitation upon the amount of their bresisness, the effects would be, the accommodation of favorites to the exclusion of the rest of the community which would be no less fatal to the system There can be in fact but one sale and consistent remedy; the rendering banking, as a business less profitable and influential; and the first and, decisive step towards this, is a disseverance between the Banks and the Government. To this may be added, some effectual limitation on the denomination of the notes to be issued, which would operate in a similar manner.

I pass over other and important objections to the connection; the corrupting influence and the spirit of speculation which it spreads far and wie over the land. Who has not seen and deplored the vast and corrupting influence brought to bear upon the Legislatures to obtain charters and the means necessary to participate in the profits of the institutions. This gives a control to the Government, which grants such favors, of most extensive and permicious character, all of which must continue to spread and increase, if the connection should continue, until the whole community must become one contaminated and corrupted mass.

There is another, and a final reason, which I will assign ugainst the reunion with the banks. We have reached a new era with regard to these institutions. He who would judge of the future by the mast, in reference to them, will be wholly mistaken. The year 1833 marks the commencement of this era. That extraordinary man, who had the power of imprinting his own feelings on the community, then commenced his hostile attacks, which have left such effects behind that the war then commenced against the banks, I clearly see, will not terminate, unless there be a separation between them and the Government, until one or the other triumphs-till the Government becomes the Bank, or the Bank the Government.

I have, as I have said, no unkind feelings towards the Banks. I am neither a bank man, nor enanti-bank man. I have a little connection with them. Many of my best friends, for whom I have the highest esteem, have a deep interest in their prosperity, and, as far as their prosperity, and, as friendship or personal attachment extends, my inclination would be strongly in their favor. But I stand up here as the representative to the luture, as well as the present, and I shall steadily pursue that course which, under enlarged views, I believe to be my duty. In 1834, I saw the present crisis. I in vain raised a warning voice, and endeavored to avert at. I now see, with equal certainty, one far more protentous, this struggle is to go on-if the bunks will insiupon a tonnion with the Covernment against the sense of a large and infliential portion of the community-and, above all, if they should succood in effecting it - a reflex flood will inevitably sweep away the whole system. A deep popular excitement is never without some reason, and ought to be treated will respect; and it is the part of wisdom to look time'y into the cause, and to correct it before the escription shall become so great as to demoksh the object, with all its good and evil, against which it is directed.

The only safe course for both Government and Healts, is to remain, as they are, separated—each in the use of their own credit and in the management of their own affairs. The less the control and influence of the one over the other, the better. Confined to their legitimate schere, that of affording temporory credit to commercial and business men, bank notes would furnish a safe and convenient circulation in the range of the circle most entire from those fluctuations and copyulsions to which they are now so exposed; or if they should occasionally be subject to them, the evil would be local and temporary, leaving undisturbed the action of the Government and the general urrency of the country, on the stability of which he prosperity and safety of the country co. much

I have now stated my objections to the reunion of the Government and the Bautes. If they are well founded; if the State Banks are themselves incompetent agents; if a bank of the United States be impracticable, or if pragueable, would, at this time, be the destruction of a large portion of the existing bunks, and of renewed and severe pecuminy distress; if it would be against the satfled conviction of an old and powerful party, whose opposition time cannot abate; if the union of Government and Banks adds to the unfitness of their notes for encolation, and be unjust and unequal between citizen and cruzen, and ore portion of the Union and another, and, finally, if it would excue an implacable and obstinate war, which could only terminate in the overthrow of the banking system or the institutions of the country; it then remains that the only alternative would be to permanently separate the two, and to reorganize the Treasury so as to enable it to perperformed by the banks, as its fingel agents --This proposed reorganization has been called a Sub-Treasury-an unfortunate word, calculated to mislead and conjure up difficulties and dangers runent or some new device, if is only retarting to the old mode of collecting and disburning the palhe money, which for thousands of years, has been the practice of all enlightened people till within

the last century.

In what manner is it intended to reorganize the Treasury by the bill reported, I do not knew, I have been too much engaged to read it; and can only say that for one, I shall assent to no arrangement which provides for a Treasury Bank, or that can be perverted into one. If there can be any scheme more fatal than a remion with the banks at this time, it would be such a project. Nor will I give my assent to any arrangement which will add the least unnecessary patronage. I am then the sworn foe to patronage, and have done as much and suffered as much in relisting it, as any one. Too many years have passed over me to change, at this late day, my course or principles. But I will say, that it is impossible so to organiza the Treasury for the performance of its own funcions, as to give the Executive a tenth part of the patronage it will lose by the proposed separation, which, when the bill for reorganization comes up, I may have an opportunity to show. I have venured this assertion after much reflection, and with entire confidence in its correctness

But something more must be done besides the corganization of the Treasury. Under the reseution of 1816, back notes would again be reserved in the dues of the Government, if the maks should resume specie phyments. The legal as well as the usual connection, must be setered. But I am opposed to all barsh or precipiate measures. No great process can be effected without a shock, but through the agency of time. l accordingly proposed to allow time for the final separation; and with this view, I have drawn up an amendment to this bill which I shall offer at the proper time, to modify the resolution of 1836, by providing that after the first of January next, three-fourths of all sams due to the Government may be received in the notes of specie paying banks; and that, after the 1st of January next forowing, one half; and after the 1st of January hereafter, nothing but the legal currency of the United States, or bills, notes, or paper issued under their authority, and which may by law be authoused to be received in their dues. If the time s not thought to be ample, I am perfectly disposed to extend it. The period is of little impor-

ence in my eyes, so that the object be effected; In addition to this, it seems to me that some neasure, of a remedial character, connected with he currency, ought to be adopted, to ease off the pressure while the process is going through. It s desirable that the Government should make as ew and small demands on the specie market as ossible during the time, so as to throw no impeliment in the way of the resumption of specie payments. With this view, I am of the impresion that the sum necessary for the present wants of the Treasury should be raised by a paper, which should at the same time have the requisite qualities to enable it to perform the functions of a caper circulation. Under this impression, I object to the interest to be allowed on the Treasury notes, which this bill authorizes to be issued, on the very opposite grounds that the Senator from Massachusetts bestows his opposition. He approves of interest, because it would throw them out of circulation into the hands of capitalists, as

(See last page.)